PROPERTY CONDITION ASSESSMENT

1234 Main Street
Prepared for:
Joe Client

Prepared by:
Robert Cavanaugh

This Report is for the exclusive use of, and has been prepared for the client(s) whose name(s) appear above, and is for their use in determining the physical condition of the property assessed.

Although a thorough assessment of the property was made, we wish to CAUTION you that conditions may change and equipment may become defective. The Report should not be construed as a guarantee or warranty of the premises or equipment or future uses thereof. Our CONTRACT for SERVICES provides additional details, PLEASE READ IT CAREFULLY.

This assessment, by definition, deals with an existing structure(s) which may have older types of wiring, plumbing, etc. It is very probable that these systems would not meet present standards, although the system(s) probably did meet requirements at the time they were installed.

Table of Contents

January 2, 2017

Joe Client

RE: 1234 Main Street
Des Plaines, IL 60000

Dear Mr. Client:

At your request, a visual inspection of the above referenced property was conducted on January 27, 2017 . An earnest effort was made on your behalf to discover all visible defects, however, in the event of an oversight, maximum liability must be limited to the fee paid. The following is an opinion report, reflecting the visual conditions of the property at the time of the inspection only. Hidden or concealed defects cannot be included in this report. No warranty is either expressed or implied. This report is not an insurance policy, nor a warranty service.

IMPORTANT: The Summary is not the entire report. The complete report may include additional information of concern to the client. It is recommended that the client read the complete report. The entire Inspection Report, including the Standards of Practice, limitations and scope of Inspection, and Pre-Inspection Agreement must be carefully read to fully assess the findings of the inspection. This list is not intended to determine which items may need to be addressed per the contractual requirements of the sale of the property. Any areas of uncertainty regarding the contract should be clarified by consulting an attorney or real estate agent.

It is strongly recommended that you have appropriate licensed contractors evaluate each concern further and the entire system for additional concerns that may be outside our area of expertise or the scope of our inspection BEFORE the close of escrow. Please call our office for any clarifications or further questions.

ITEMS NEEDING ACTION

SITE IMPROVEMENTS

SITEWORK

Access and Egress

Access and egress to the subject property are via doorway. The ramp in the back of the building is no longer smooth/flat plane surface, repair or replace as needed.

Paving, Curbing and Parking

All parking surfaces on the lot are paved with asphalt. Erosion to asphalt was noted at several areas. There are approximately 62 marked parking spaces for the subject property, 2 of which are marked for handicap only.

Flatwork

All walkways on the site are paved with concrete. Poor condition noted,

Landscaping

Concrete planter are cracking beyond repair. The walls of the planters have shifted.

STRUCTURAL FRAME

FLOOR & ROOF FRAMING SYSTEMS

Floor Framing

The attic flooring framing is undersized and/or overspanned when compared to today's standards but was

probably considered adequate at the time of construction.

STRUCTURAL CAVITIES

Attic Spaces

Attic spaces are heavily obstructed with air ducts, framing and other construction components which make it difficult to properly evaluate, however, this is normal and to be expected.

BUILDING SHELL

BUILDING ENVELOPE

Sidewall Systems

Sidewall system(s) consists of stucco. Damage/deterioration noted at the following areas: All four exterior side of the building.

Fenestration Systems - Walk Doors

The exterior walk doors are storefront type. The doors at the following locations are in need of replacement: Back and side doors.

Exterior Wall From Interior View:

Cracks noted above the back exterior door. Insure all exterior block wall structure is repair before installing insulation and dry-walling.

Fenestration Systems - Windows

Windows in this structure are aluminum framed.

Windows are of the storefront type. The dual pane seal has failed at one or more windows in this building, as evidenced by moisture/discoloration between the panes. Some failures are difficult to detect due to lighting conditions at the time of the inspection. For this reason, you may encounter additional windows that exhibit this condition which are not noted in this report. Seals which have failed were noted on several windows.

Other Building Envelope Observations

The block wall around the trash dumper is damages. Moreover, the front left wall is broken off and is on the ground.

ROOFING SYSTEMS

Roof

Vent Cover:

One of the vent cover was not in place.

Roof Flashings

The potential for water entry is present at the coping tiles of the roof capping the parapet wall. The perimeter of these flashings have been sealed at the time of the re-roof (instead of removing the old flashings and reinstalling them along with the new roof). This practice is acceptable only if the original roof is still water tight, because when the sealant deteriorates, moisture will gain access to the underside of the new roof.

Other Roofing Observations

The canopy roof over the drive up lanes have standing water. This roof is not properly pitched towards the drains.

HEATING, VENTILATION and AIR CONDITIONING - (HVAC)

AIR CONDITIONING

Cooling Unit #1

Located at roof top

The unit appears to be abandoned.

Unable to read identification plate, but past the end of its expected life.

Cooling Unit #2

Located on the canopy over the drive up lane.

Manufactured by LENNOX. Ton 4
The age of this unit appears to be 18-20 Years.

Cooling Unit #3
Located on the canopy over the drive up lane.
Manufactured by LENNOX. Ton 4
The age of this unit appears to be 18-20 Years.

Cooling Unit #4
Located on the canopy over the drive up lane.
Manufactured by LENNOX. Ton 4
The age of this unit appears to be 18-20 Years.

Cooling Unit #5
Located on the canopy over the drive up lane.
There are two Slim PAC units installed.
Unable to read identification plate.
Manufactured by Mitsubishi.

VENTILATION
Bathroom/Restroom Ventilation
The exhaust fan cover is missing in lady's bathroom.

Workspace Ventilation
Workspace ventilation(TEL/COM) room is not venting to the outside.

ELECTRICAL SYSTEMS

INCOMING SERVICE
Service Conductors
Electrical service to the property is via overhead conductors from the utility company. Entrance cables are aluminum. The cover damaged / missing connections were noted at the masthead.

PANELS & SWITCHBOARDS
Overall Condition of Electrical Panels
For your convenience, we have summarized the conditions found in the Table of Electrical Panels and Switchboards immediately below:

We found the following safety concerns regarding the open electrical trough directly below panel #5

Panel #2
Located in electrical room
Labeling of breakers is incomplete, not legible.

Panel #3
Located in electrical room
Labeling of breakers is incomplete, not legible.

Panel #4
Located in electrical room
Labeling of breakers is incomplete, not legible.

ITEMS NEEDING ATTENTION

GENERAL INFORMATION

RECOMMENDATIONS for FURTHER EVALUATION

We recommend that you consult your real estate professional or attorney in regards to the potential need for a Phase 1 Environmental Assessment to be performed on the subject property. Phase 1 Environmental Assessments establish a baseline for the presence of known hazardous contaminants on the property so that you, your realtor and your lender can qualify for protection against future cleanup costs under the Innocent Landowners Defense Act.

ADDITIONAL RECOMMENDATIONS

GENERAL PHYSICAL CONDITION

The subject property is exhibiting many areas of deferred maintenance, the major areas of concern is in the unfinished space. See list below:

- Exposed electrical
- Exterior siding
- Concrete planters
- Attic space
- Ceiling framing(2 x 4)
- Abandoned HVAC vent piping
- Roof vents and hoods
- Windows, missing and damaged glass
- Plumbing, water piping and drain
- Structural wall

Thank you for selecting our firm to do your pre-purchase home inspection. If you have any questions regarding the inspection report or the home, please feel free to call us.

Sincerely,

Robert Cavanaugh
Capital Inspections of Illinois

GENERAL INFORMATION

IMPORTANT INFORMATION

Extrapolation
As provided by our contract, we entered and inspected approximately 90% of the interiors.

Building Orientation
Location descriptions (such as **left, right, front and rear**), will be used to identify where the room is located, or where the condition was found. **These locations are relative to viewing the structure with the main entry directly in front of you.**

Color Code Definitions
Throughout the body of this report we will use the following colored text to direct your attention:

Safety Concern:
The paragraph immediately below "Safety Concern" describe conditions that may pose a safety concern of some kind and warrant corrections by a properly qualified specialist in the appropriate trade.

Further Evaluation:
The paragraph immediately below "Further Evaluation" describe conditions that warrant further evaluation by a properly qualified specialist in the appropriate trade before any conclusion can be made regarding their proper function.

Corrections Recommended:
The paragraph immediately below "Corrections Recommended" indicate conditions where repair or replacement would improve the integrity and/or functionality of the component. We recommend that all corrections be made by properly qualified specialists in the appropriate trade.

Recommended Upgrades:
The paragraph immediately below "Recommended Upgrades" describe systems and/or components where upgrades would significantly improve safety or function, but which may not have been available at the time the building was constructed.

DEVIATIONS from the ASTM E-2018 GUIDE

Documentation and Other Information:
None of the documents listed below were reviewed in the process of this PCA:

Appraisals, either current or previously prepared.

Certificates of Occupancy.

Safety inspection records.

Warranty information (roofs, boilers, chillers, cooling towers, etc.)

Records indicating the age of material building systems such as roofing, paving, plumbing, heating, air conditioning, electrical, etc.

Historical cost records, such as those costs incurred for repairs, improvements, recurring replacements, etc.

Pending proposals or executed contracts for material repairs or improvements, or descriptions of future work planned.

Outstanding citations for building, fire and zoning code violations.

Previously prepared ADA surveys or status of any improvements implemented to effect physical compliance.

Previously prepared property condition reports by other firms or studies pertaining to any aspect of the subject property' s physical condition.

Records indicating building occupancy percentages.

Records indicating building turnover percentages.

Building rent rolls.

Leasing literature, listing for sale, marketing/promotional literature such as photographs, descriptive information, reduced floor plans, etc.

Drawings or specifications (as-built or construction).

Excluded Components

The following components are excluded from this PCA:

Any and all life safety components or equipment.

Any and all fire protection systems or equipment with the following exception:
If you have specifically contracted for us to provide an inspection of the commercial kitchen equipment then we will be assessing the condition of the Fire Suppression Systems which are installed in those kitchens, (Ansul Systems or equivalent). We are not allowed to activate these systems, but will comment on anything that we feel is pertinent to their effectiveness.

NOTE: Even though fire sprinkler systems are beyond the area of our expertise, we will make comments in the report as to their presence and also may indicate in the report when we see conditions that are suspect.

PURPOSE and SCOPE

PURPOSE

Visual Survey
To perform a limited, visual survey of specific components on the subject property and list our observations of items and conditions which indicate the need for immediate repair.

Projected Major Expenses
If agreed upon in our contract with the user, to ascertain which of the major components are likely to reach the end of their expected lifespan within the next 5 years, and list those components, along with opinions of probable costs for the replacement of those components.

Intent
Our intent is to appraise you of the general condition of the subject property and to provide information to you which will be helpful in your prepurchase considerations as it relates to the condition of the property.

SCOPE

Standards of Practice
The Standards of Practice used for this Property Condition Assessment (PCA) are those of *ASTM E 2018, Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process,* which has been prepared by the *American Society for Testing and Materials. The ASTM E 2018 is upgraded every few years to reflect changes in the industry. To determine which version of the ASTM E 2018 was being used for this PCA, please see your Contract for Services.*
Adherence to the *ASTM E 2018 Guide* is entirely voluntary. We have chosen to incorporate these standards as an integral part of our property assessment process to promote uniformity with regards to commercial real estate transactions.
Every commercial property is different, and every client has different needs, expectations and budgets. Our approach to these varying requirements is to custom tailor each of our property assessments individually according to those differences and needs. As a result, some of the *ASTM E 2018* guidelines are not appropriate. Any deviations from the *ASTM Guide* are listed in the EXECUTIVE SUMMARY of the report.

Inclusions
The scope of our assessment was limited to the following specific visually accessible components: Foundations of the building(s), structural framing (load carrying members only), interior and exterior claddings, roof structure and load carrying members of the roof framing, mechanical systems, electrical systems, and plumbing systems.

Report is Confidential
Our assessment and this report are intended to be confidential to you, our client, for your exclusive use. They cannot be relied upon by a third party. We make no representation as to the condition of this property other than stated specifically in writing in the text of this narrative report.
Further investigation including acquisition of bids by contractors and service companies in respect to any recommendations within this report are recommended and required.

MAPS and DIAGRAMS

The following maps and diagrams are not to scale and do not include details. Smaller rooms and/or closets may have been left out for clarity. Maps and diagrams are merely for your use in understanding the comments in this report with respect to component systems and locations.

The top of each page is approximate NORTH, unless otherwise noted.

SATELITTE VIEW

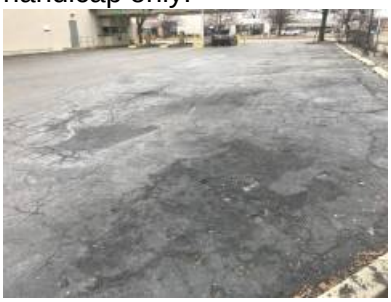
SITE IMPROVEMENTS

SITEWORK

Storm Water Drainage
Drainage appears adequate, and all indications are that ground water drains away from the structure properly.

Access and Egress
Access and egress to the subject property are via doorway. The ramp in the back of the building is no longer smooth/flat plane surface, repair or replace as needed.

Paving, Curbing and Parking
All parking surfaces on the lot are paved with asphalt. Erosion to asphalt was noted at several areas. There are approximately 62 marked parking spaces for the subject property, 2 of which are marked for handicap only.



Flatwork
All walkways on the site are paved with concrete. Poor condition noted,

Landscaping
Concrete planter are cracking beyond repair. The walls of the planters have shifted.

UTILITIES

Water Service
Potable water is provided by some form of a public water agency.

Electrical Service
Electrical service enters the property via overhead conductors from the utility company.

Gas Service
Gas meter and shutoff is located in the front of building.

Sanitary Sewer
The subject property appears to be serviced by the public sewer system, however, these components ARE NOT A PART OF THIS ASSESSMENT.

Storm Drain System
The subject property appears to be serviced by the public storm drain system, however, these components ARE NOT A PART OF THIS ASSESSMENT.

STRUCTURAL FRAME

FOUNDATION & LOAD BEARING WALLS

Foundation
This structure is constructed slab-on-grade, there are no raised foundations or under floor crawlspaces.

Load Bearing Walls
The load bearing walls are constructed of structural masonry. The typical construction of masonry wall systems consists of hollow precast concrete blocks, reinforced with rebar and filled on site with concrete.

FLOOR & ROOF FRAMING SYSTEMS

Floor Framing
The attic flooring framing is undersized and/or overspanned when compared to today's standards but was probably considered adequate at the time of construction.

Roof Framing
Structural framing of the roof system consists of laminated load carrying beams with dimensional lumber for the roof sheathing.

STRUCTURAL CAVITIES

Attic Spaces
Attic spaces are heavily obstructed with air ducts, framing and other construction components which make it difficult to properly evaluate, however, this is normal and to be expected.

Underfloor Crawl Spaces

This structure is constructed slab-on-grade, there are no raised foundations or under floor crawlspaces.

BUILDING SHELL

BUILDING ENVELOPE

Sidewall Systems

Sidewall system(s) consists of stucco. Damage/deterioration noted at the following areas: All four exterior side of the building.

Fenestration Systems - Walk Doors

The exterior walk doors are storefront type. The doors at the following locations are in need of replacement:
Back and side doors.

Exterior Window:
The window at the back of the building is boarded up.

Exterior Wall From Interior View:
Cracks noted above the back exterior door. Insure all exterior block wall structure is repair before installing insulation and dry-walling.

Fenestration Systems - Windows
Windows in this structure are aluminum framed.
Windows are of the storefront type. The dual pane seal has failed at one or more windows in this building, as evidenced by moisture/discoloration between the panes. Some failures are difficult to detect due to lighting conditions at the time of the inspection. For this reason, you may encounter additional windows that exhibit this condition which are not noted in this report. Seals which have failed were noted on several windows.

Other Building Envelope Observations
The block wall around the trash dumper is damages. Moreover, the front left wall is broken off and is on the ground.


Flood
Brothers

ROOFING SYSTEMS

Roof

Roofing Materials
This section of the report is concerning the roofing materials by Versico.

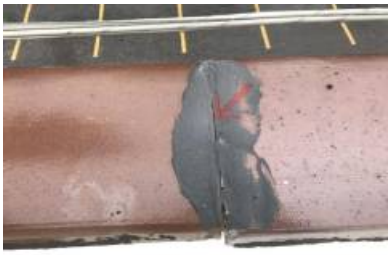
Vent Cover:
One of the vent cover was not in place.

Number of Roofing Applications
We are unable to determine how many layers of roofing material are applied.

Pitch of Roof
This is considered adequate and acceptable for the type of roof covering which is installed.

Estimated Remaining Life
Remaining life is approximately 8 - 10 Years.

Roof Flashings
The potential for water entry is present at the coping tiles of the roof capping the parapet wall. The perimeter of these flashings have been sealed at the time of the re-roof (instead of removing the old flashings and reinstalling them along with the new roof). This practice is acceptable only if the original roof is still water tight, because when the sealant deteriorates, moisture will gain access to the underside of the new roof.



Roof Drainage
All gutters and drains appear to be in acceptable condition.

Other Roofing Observations
The canopy roof over the drive up lanes have standing water. This roof is not properly pitched towards the drains.

PLUMBING SYSTEMS

PIPING & DISTRIBUTION

Supply Piping System
The majority of the visible supply line piping is copper. Unable to fully evaluate the supply line plumbing system as the water was turned off on the day of inspection.

Waste Piping System
The majority of the visible waste line plumbing pipe is cast iron/galvanized. Abandon in the empty place.

Natural Gas/LPG System
The majority of gas piping at visible areas consist of black iron.

Plumbing Fixtures
There are no working plumbing fixtures in the unfinished section. However, the bank has an examination of the observable plumbing fixtures was performed, and no deficiencies were noted.

HOT WATER PRODUCTION

Type of Water Heating Systems
None, in the unfinished section. Bank has Hot water for domestic use is supplied by various small, electric, on-demand type water heaters located throughout the structure(s).

Summary of Water Heating Components
Water heater was found in good working condition.

Water Heater
Located at ceiling in bank back room. This heater is powered by electricity. Good condition.

Comment Codes for the Table of Water Heating Components
The COMMENTS CODES below are the descriptive text regarding a variety of anomalies which can be found regarding water heating components. If you have any 2 or 3 letter abbreviations in the "Comments" column at the far right hand side of the Table above, then this is where you will find the definition for that abbreviation.

BS = The earthquake strapping restraints are missing or incorrectly installed. We recommend that proper restraints be installed according to the current requirements.

CP = The combustion air venting for this unit does not appear to meet current requirements, this can starve the appliance of oxygen and cause poor combustion of gases.

DNT = We were unable to properly evaluate this unit. It was either blocked from view, in a locked closet, or otherwise inaccessible.

EH = The exhaust venting for this appliance is not installed according to typical standards, this usually results in some type of potential hazard. We recommend that this condition be inspected and corrected by a properly qualified plumber.

FH = The flexible connector at the incoming gas supply pipe is either missing, installed incorrectly or is not the currently approved type. Since this usually results in some type of potential hazard, we recommend that this condition be corrected by a properly qualified plumber.

FO = We were unable to properly evaluate this appliance, as the fuel supply was turned off or disconnected on the day of inspection.

FS = There are flammable components/substances stored in the vicinity of this gas appliance.

LPD = There does not appear to be a proper drain installed to drain away the Liquid Petroleum Gas from this appliance. Since LP gas is heavier than air, it will accumulate near the pilot light and/or burner in the event of a leak and possibly cause an explosion. We recommend a proper drain be installed to prevent any potential hazard.

OD = This is an "on-demand" type water heater, which heats water only as it is needed, therefore, there is no storage tank.

OLD = This appliance is near/past the end of it's expected useful life, you should anticipate replacement within the next five years.

RF = There is a heavy accumulation of rust flakes in the combustion compartment, this is an indication that this appliance may be near the end of its useful life. You should anticipate replacement within the

next five years.

RP = This appliance appears to at the end of it's useful life, we recommend replacement.

TD = The drain line coming from the safety relief valve (or the temperature & pressure relief valve), is missing, incorrectly installed, sized incorrectly or is made of materials which are not suitable for this use. Since this is a potential hazard, we recommend that this condition be corrected by a properly qualified plumber.

TL = The tank of this water heater is leaking, we recommend replacement of the water heater.

TPR = There are Safety Concerns with the Safety Relief Valve (or Temperature & Pressure Relief valve), or the related drain line. Since this is a potential hazard, we recommend that this condition be corrected by a properly qualified plumber.

UN = There is no drain pan installed under the water heater. If this water heater leaks, (and most eventually leak because they are located in an attic or other confined space and are not inspected regularly), it is likely to cause damage to other components of the structure.

HEATING, VENTILATION and AIR CONDITIONING - (HVAC)

HEATING & COOLING SYSTEMS

HVAC System Description

For specific notes and comments regarding the heating and cooling units, refer to the Table of Heating and Cooling Components below.
Summary of information contained in the HVAC table regarding the heating components are as follows:

Heating Unit #1

Located at the roof.
Manufacturer is Carrier. Ton 15
BONUS FEATURE! This furnace has been upgraded from the original.
The type of system is roof top unit forced air.
Age 05/14

Heating Unit #2

Located at the roof.
Manufacturer is Carrier. Ton 12.5
Good condition.
The type of system is roof top unit forced air.
Age 01/11.

Heating Unit #3
Located at the bank side ceiling of lady room.
Manufacturer is Lennox
The type of system is forced air.
Good condition.
Age 1992.

Heating Unit #4
Located at the bank side ceiling of mans room.
Manufacturer is Lennox.
The type of system is forced air.
Good condition.
Age 1998.

AIR CONDITIONING

Air Conditioning System Description
Evaluation of the heating and air conditioning systems for this property assessment was contracted out to a licensed HVAC contractor. A copy of their full report is included as a part of the HVAC APPENDIX attached to the end of this report.

Air Conditioning Equipment
For specific notes and comments regarding the air conditioning components, refer to the Table of Heating and Cooling Components below.
Summary of information contained in the HVAC table regarding the air conditioning components is as follows:
The outside temperature (at the location of the condenser) did not reach 65 degrees or more for a period of at least 12 hours before the time of the inspection, therefore I was unable to test any of the air conditioning systems at the time of the inspection. Operating the air conditioning when the ambient temperature is below 65 degrees can damage some components of the system.

Cooling Unit #1
Located at roof top
The unit appears to be abandoned.
Unable to read identification plate, but past the end of its expected life.

Cooling Unit #2
Located on the canopy over the drive up lane.
Manufactured by LENNOX. Ton 4

The age of this unit appears to be 18-20 Years.

Cooling Unit #3
Located on the canopy over the drive up lane.
Manufactured by LENNOX. Ton 4
The age of this unit appears to be 18-20 Years.

Cooling Unit #4
Located on the canopy over the drive up lane.
Manufactured by LENNOX. Ton 4
The age of this unit appears to be 18-20 Years.

Cooling Unit #5
Located on the canopy over the drive up lane.
There are two Slim PAC units installed.
Unable to read identification plate.
Manufactured by Mitsubishi.

Comment Codes for the Table of Heating & Cooling Components

The COMMENTS CODES below are the descriptive text regarding a variety of anomalies which can be found regarding heating and cooling systems. If you have any 2 or 3 letter abbreviations in the "Comments" column at the far right hand side of the Table above, then this is where you will find the definition for that abbreviation.

BC = The burner turned off before the room temperature reached its target, or the burner cycles off and on again.

CD = The cooling fins are damaged or corroded.

CM = There are anomalies concerning the primary or secondary condensate drain lines or drain pans.

CP = There does not appear to be an adequate source of combustion air for the furnace burner, (or the air source is blocked), this can cause poor combustion of the burner gases. Proper combustion air includes both an upper and lower air source.

DI = The insulation wrap is missing or deteriorated at some sections of the refrigerant line. The larger of the two refrigerant lines which run from the air compressor to the furnace are meant to be fully insulated to prevent loss of cooling efficiency.

DNT-1 = We were unable to properly test this component, as the temperature inside the building was too hot for the furnace to come on, or the ambient temperature was too low to test the cooling cycle. Turning the air conditioning on when the ambient temperature has been below 65 degrees within the last 24 hours can cause damage to cooling components.

DNT-2 = We were unable to properly evaluate this component. It was either shut-down, power was off, pilot was out, access was restricted, or some other condition was encountered which hindered our ability to properly evaluate this system.

EC = There are indications that there may be cracks in the heat exchanger. This can allow harmful emissions to be released into the habitable space of the building, and is a potential hazard!

EH = The exhaust venting does not conform to typical standards, (too close to combustible materials, improper size or configuration, improper joints, etc.), this is a potential hazard!

EL = There are indications that there may be a leak in the evaporator coil plenum.

FB = The filter is either missing, dirty, installed incorrectly or otherwise deficient (if the filter is an electronic type, it may not be functioning).

FC = The circulation fan cycles off and on while the burner remains lit, or the fan does not turn on within the required time. Both of these conditions can cause cracks in the heat exchanger.

FL = There are anomalies concerning the color of the burner flame. This indicates an improper air/fuel mixture and can create noxious fumes.

GF = There are anomalies concerning the flexible gas connector of this furnace, these can result in potentially hazardous conditions.

NF = This unit did not respond to normal operating controls.

NR = There are no service records on site that we could locate, typically they are attached to the unit or in the near vicinity. Since we have no service records to establish that regular maintenance has been performed we recommend evaluation and servicing of this unit be preformed by a qualified HVAC technician.

NS = There are indications that this system has NOT been serviced within the last year. We recommend servicing of all HVAC components at least once a year for the purposes of improved performance and longevity.

OLD = This component is past (or near) the end of its expected useful life. You may wish to budget funds for replacement at some time within the next five years.

RC = The model number of this furnace indicates that it may be one of those furnaces which has been recalled by the manufacturer or the Consumer Protection Agency.

SC = The location of this component or the way in which it was installed may cause it to be damaged or may cause a hazardous condition.

TI = The burner does not ignite within the required amount of time after the pilot is lit, or the electronic ignition is malfunctioning. both of these conditions can allow too much gas to accumulate in the burner compartment which in turn can cause an explosion upon ignition.

TMP = The output temperature of this system does not conform to typical standards.

UN = This components makes unusual noises during operation.

VENTILATION

Bathroom/Restroom Ventilation

The exhaust fan cover is missing in lady's bathroom.

Workspace Ventilation

Workspace ventilation(TEL/COM) room is not venting to the outside.

ELECTRICAL SYSTEMS

A random testing was performed on the various outlets and switches, but NOT all were tested. During a typical inspection there are many that are not accessible due to furniture, storage, etc. Light switches which do not appear to function are deemed to have a burned out bulb, unless other anomalies are noticed. We examined all service panels and subpanels which were found on the property, however, other panels and subpanels may exist which we did not find during our visit to the property as they are sometimes hidden in closets or behind wall hangings and/or furniture. We recommend that all electrical hazards be corrected by a licensed electrical contractor. If we have recommended that a licensed electrical contractor examine this entire system, it is because; 1) there was aluminum wiring noted at the minor circuits of the structure, or 2) there were a significant number of electrical hazards found to indicate that someone other than a competent electrician has been working on the system. In either event, there are likely to be additional hazards found by the electrician which this limited inspection did not locate.

INCOMING SERVICE

Service Conductors

Electrical service to the property is via overhead conductors from the utility company. Entrance cables are aluminum. The cover damaged / missing connections were noted at the masthead.

Service Disconnect

The main disconnect is located at the In the electrical room in the 2nd floor on the unfinished side.

PANELS & SWITCHBOARDS

Panel Types

The panels and switchboards have been upgraded from the original.

Overall Condition of Electrical Panels

For your convenience, we have summarized the conditions found in the Table of Electrical Panels and Switchboards immediately below:

We found the following safety concerns regarding the open electrical trough directly below panel #5

Panel #1
Located in electrical room.
Good condition.

Panel #2
Located in electrical room
Labeling of breakers is incomplete, not legible.

Panel #3
Located in electrical room
Labeling of breakers is incomplete, not legible.

Panel #4
Located in electrical room
Labeling of breakers is incomplete, not legible.

Panel #5
Located in electrical room on the bank side
Good condition.

Comment Codes For the Table of Electrical Panels & Switchboards

The COMMENTS CODES below are the descriptive text regarding a variety of anomalies which can be found at electrical panels. If you have any 2 or 3 letter abbreviations in the "Comments" column at the far right hand side of the Table above, then this is where you will find the definition for that abbreviation.

AO = Antioxidant is missing at some of the aluminum connections, this is a potential hazard!

COR = Corrosion is noted within the electrical panel, this is a potential hazard!

DB = Multiple wires are connected to a single lug on a circuit breaker where only one wire should be connected, this is a potential hazard!

DE = This panel is not rated for installation in a dusty environment.

DM = Dead cover is missing which allows direct access to high voltage wiring, this is a potential hazard!

DNT = Unable to properly evaluate this panel, access is blocked by owners/tenants belongings.

FB = There are circuits coming from this subpanel which bypass the breaker/fuse system, this is an extreme potential hazard!

FED = This is a Federal Pacific StabLok brand panel. We do not typically open these panels, as the only thing that holds the breakers in place is the dead cover. When the dead cover is removed, the breakers can fall out. There have been many challenges with this brand panel over the years, (including, but not limited to failure of the breakers to trip when necessary), and we strongly recommend that you have this panel replaced by a properly qualified electrician. For more information, go to http://www.inspect-ny.com/fpe/fpepanel.htm.

FM = One or more fuses/breakers are missing at this panel.

FTP = This is a "Fuse" type panel, rather than the newer "Breaker" type panel.

GFI = One or more GFCI breakers, (Ground Fault Circuit Interrupter type breakers), within this panel are not operational, this is a potential hazard!

GLM = The grounding lug has been removed (or is missing) from the neutral busbar. In a main panel, there should be a lug connecting the neutral busbar to the panel housing or to the grounding busbar, this is a potential hazard!

GN = Some grounding wires are connected to the neutral busbar. In a sub-panel, only neutral wires should be connected to this busbar. All grounding wires should be connected to a busbar which is directly grounded to the subpanel housing. This is a potential hazard!

GRM = Some conductors are passing through the panel enclosure wall without the protection of grommets (to prevent chaffing), this is a potential hazard!

RM = There are grommets missing at some of the wires coming into this panel. Grommets prevent wires from coming loose and from chaffing against the sharp edges of the panel, this is a potential hazard!

HB = The handles are broken (or some other part of the breaker), at one or more breakers in this panel.

KO = Some of the unused openings in the panel are missing covers. These covers can be either plastic or metal and are called knock-outs, they are available at most hardware stores for less than a dollar. They simply clip into place without the use of any tools). However, they are important because without them one could stick their fingers into the panel and come into direct contact with high voltage, this is a potential hazard!

LGC = Loose clamp at water line or ground rod, this is a potential hazard!

LM = Labeling of breakers is incomplete, inaccurate or not legible.

LN = The panel box grounding lug is still attached to the neutral busbar. In a subpanel, this grounding lug should be removed from the neutral busbar so that the busbar is completely isolated from the panel box, this is a potential hazard!

LT = Loose terminals are noted within this panel, this is a potential hazard!

MC = Missing panel cover/door allowing for moisture entry into panel, this is a potential hazard!

MST = Moisture is getting inside the panel box, this is a potential hazard!

NG = One or more neutral wires are connected to the grounding busbar, this is a potential hazard! In a sub-panel, only grounding wires should be connected to this busbar. All neutral wires should be connected to a busbar which is isolated from the subpanel housing.

NGB = There is no separate grounding busbar, grounding wires are connected to the neutral busbar, this is a potential hazard! In a subpanel only the neutral wires should be connected to the neutral busbar, which is isolated from the subpanel housing. The grounding wires should be connected to a separate busbar that is directly grounded to the subpanel housing.

NNA = This panel is not approved for damp locations, therefore it will allow moisture to penetrate into the panel, causing potentially hazardous conditions.

NNB = There is no neutral busbar, therefore, the neutral wires are connected to the grounding busbar, this is a potential hazard! In a sub-panel, only grounding wires should be connected to this busbar. All neutral wires should be connected to a busbar which is isolated from the subpanel housing.

OC = It would take a calculation by an electrician do determine for certain, but this panel enclosure APPEARS to be overcrowded with wiring, Panel boxes are rated for a certain amount of heat that is generated by the connections within them, the more wiring and connections, the more heat build-up. Therefore, this can be a potential hazard!

OF = Over fusing was noted at one or more circuits, (fuse or breaker size too large for wire size). As a result, the fuse/breaker is not capable of detecting excessive heat in the circuit and it may allow the wires to get too hot, resulting in a potential fire hazard.

OFF = One or more breakers were turned OFF at this panel on the day of inspection, you may wish to inquire with the sellers as to why this breaker is off.

OLD = This panel is of the older variety. Older panels have older breakers that may malfunction when needed and parts may no longer be available. Like any other type of equipment, electrical panels and switchgear have a limited life expectancy, and you might consider budgeting money to replace this panel within the next 5 years.

PF = This panel contains plug type fuses, which are a very reliable type of electrical fuse. However, since plug fuses can be easily replaced with another plug fuse of the wrong amperage (creating a potentially hazardous condition), they are discouraged by electricians and insurance companies. We recommend all plug type fuses be replaced by TYPE S fuses. The process involves the installation of adaptors that fit into each fuse holder which have different diameter threads for each amperage rating. Once installed, a fuse of the wrong amperage rating cannot be inserted, thereby eliminating any potential over-fusing hazard.

PS = Some of the screws which hold the dead cover in place have pointed ends, this is a potential hazard! Typically, blunt screws are used for dead covers as the pointed screws can damage wiring inside the panel box.

RST = A moderate to heavy accumulation of rust was noted inside the panel, which indicates that moisture is gaining access to the inside of the panel housing. This can cause shorts as well as corrode the connection terminals and can be a potential hazard!

SYL = This is a Sylvania brand panel. Because these panels are constructed using aluminum bus bars, they are not as reliable as other brand panels, and they have a history of malfunction. Not all Sylvania panels are problematic, and many are still functioning as designed today, but production for this particular panel was discontinued over 20 years ago and replacement breakers are very expensive. The only way to determine the actual condition of this panel and the breakers is to remove the breakers and closely examine the bus bars and the breakers. This is beyond the scope of our inspection, so if you are concerned about this condition we recommend that you contact a licensed electrician to properly examine this panel. At any rate, you should anticipate the need to replace the panel and/or the breakers at some time in the future.

TH = This panel is mounted too high above the walking surface to be able to reach all of the breakers/fuses without the use of a ladder.

TM = One or more 220 volt breaker handle(s) are missing the handle tie(s). This condition could do damage to the major appliance it serves if one half of the breaker trips without the other.

TRP = One or more breakers in this panel were TRIPPED on the day of the inspection, this could indicate some type of hazard within the circuit, or a defective breaker. Resetting and/or evaluating breakers is beyond the scope of this assessment, therefore, we recommend that this condition be evaluated by a properly qualified electrical contractor.

UNK = It is unknown whether there are any hazards inside this panel, because we could got remove the panel dead cover.

VDS = There is some type of permanent obstruction within the dedicated space immediately in front of this panel, typically there is a dedicated space of 36" required in front of all electrical equipment.

VEG = Overgrown shrubbery prevents easy access to this panel, we recommend vegetation be trimmed back to allow for quick access in the event of an emergency.

WB = Some of the breakers installed are not the approved type of breakers for this panel, which voids the UL listing of the panel.

WS = An excessive number of wire splices were noted inside the panel, this is typically not recommended, as it increases heat inside the panel box. Therefore, it can be a potential hazard!

ZIN = This is a Zinsco or Sylvania brand panel. Because these panels are constructed using aluminum bus bars, they are not as reliable as other brand panels, and they have a history of malfunction. Not all Zinsco or Sylvania panels are problematic, and many are still functioning as designed today, but production was discontinued over 20 years ago and replacement breakers are very expensive. The only way to determine the actual condition of this panel and the breakers is to remove the breakers and closely examine the bus bars and the breakers. This is beyond the scope of our inspection, so we recommend that you contact a licensed electrician to properly examine this panel. At any rate, you should anticipate the need to replace the panel and/or the breakers at some time in the future.

DISTRIBUTIONS SYSTEMS

Distribution Conductors

The branch conductors have been upgraded from the original, however, we are unable to determine if it has been totally upgraded, as we cannot examine the wiring inside structural cavities.

Lighting Fixtures

On the bank side: Florescent light fixtures were noted which have no safety lens to prevent the bulbs from dropping out of the fixture. Safety covers or some type of restraint are typically required for commercial installations.

OTHER SYSTEMS & COMPONENTS

BANK INTERIOR SPACES

Floors & Floor Coverings
Floors and floor coverings appear to be in serviceable condition.

Walls and Wall Coverings
Walls and wall coverings appear to be in serviceable condition.

Ceilings
Ceilings are in serviceable condition.

Interior Doors
Interior doors are wood, with wood frames. All accessible doors were examined all are operating adequately.

Kitchen Appliances
All kitchen appliances were functioning adequately in the apartments we inspected.

FIRE PROTECTION

Fire Extinguishers
There appear to be an adequate number of fire extinguishers installed for this facility,

Fire Alarm Systems

A fire alarm system appears to be installed for this structure, however, these are beyond the scope of this assessment.

Smoke Walls and Fire Corridors

There is typically a fire wall separating the spaces of the building according to the occupancy ratings of each space. For instance, the occupancy rating for offices is different than that of a warehouse, so there would be a fire rated wall separating those two areas. Check with the developer for the build out of the new space.

Smoke Alarms

Most smoke alarm(s) responded to test button operation, BUT YOU SHOULD CHECK THESE DEVICES ON A MONTHLY BASIS.

CARBON MONOXIDE DETECTORS:

Carbon monoxide detector(s) were found at all required locations, and are operational. As with smoke detectors, you should check these devices before moving in, and then every month thereafter.

OUT of SCOPE CONSIDERATIONS

ACTIVITY EXCLUSIONS

The activities listed below generally are excluded from or otherwise represent limitations to the scope of a PCA prepared in accordance with the *ASTM E 2018-08 Guide.* These should not be construed as all-inclusive or imply that any exclusion not specifically identified is a PCA requirement under the *ASTM Guide:*

Identifying capital improvements, enhancements, or upgrades to building components, systems, or finishes. The consultant must be aware of the distinction between repair and replacement activities that maintain the property in its intended design condition, versus actions that improve or reposition the property.

Removing, relocating, or repositioning of materials, ceiling, wall, or equipment panels, furniture, storage containers, personal effects, debris material or finishes; conducting exploratory probing or testing; dismantling or operating of equipment or appliances; or disturbing personal items or property, that obstructs access or visibility.

.

Preparing engineering calculations (civil, structural, mechanical, electrical, etc.) to determine any systems, components, or equipments adequacy or compliance with any specific or commonly accepted design requirements or building codes, or preparing designs or specifications to remedy any physical deficiency.

Taking measurements or quantities to establish or confirm any information or representations provided by the owner or user, such as size and dimensions of the subject property or subject building; any legal encumbrances, such as easements; dwelling unit count and mix; building property line setbacks or elevations; number and size of parking spaces; etc.

Reporting on the presence or absence of pests such as wood damaging organisms, rodents, or insects unless evidence of such presence is readily apparent and material during the course of the field observers walk-through survey or such information is provided to the consultant by the owner, user, property manager, etc. The consultant is not required to provide a suggested remedy for treatment or remediation, determine the extent of infestation, nor provide opinions of probable costs for treatment or remediation of any deterioration that may have resulted. This exclusion does not apply if we have agreed to provide a pest & dry-rot inspection report as a part of our written contract, is such is the case then their report will be attached to the end of this report as an appendix.

Reporting on the condition of subterranean conditions, such as soil types and conditions, underground utilities, separate sewage disposal systems, wells; systems that are either considered process-related or peculiar to a specific tenancy or use; or items or systems that are not permanently installed.

Entering or accessing any area of the premises deemed to potentially pose a threat of dangerous or adverse conditions with respect to the field observers health or safety, or to perform any procedure, that may damage or impair the physical integrity of the property, any system, or component.

Providing an opinion on the condition of any system or component, that is shutdown. However, consultant is to provide an opinion of its physical condition to the extent reasonably possible considering its age, obvious condition, manufacturer, etc.

Evaluating acoustical or insulating characteristics of systems or components.

Providing an opinion on matters regarding security of the subject property and protection of its occupants or users from unauthorized access.

Operating or witnessing the operation of lighting, lawn irrigation, or other systems typically controlled by time clocks or that are normally operated by the buildings operation staff or service companies.

Providing an environmental assessment or opinion on the presence of any environmental issues such as potable water quality, asbestos, hazardous wastes, toxic materials, the location or presence of designated wetlands, mold, fungus, IAQ, etc.

WARRANTY, GUARANTEE, and CODE COMPLIANCE EXCLUSIONS

By conducting a PCA and preparing a PCR, the consultant merely is providing an opinion and does not warrant or guarantee the present or future condition of the subject property, nor may the PCA be construed as either a warranty or guarantee of any of the following:

Any systems or components physical condition or use, nor is a PCA to be construed as substituting for any systems or equipments warranty transfer inspection;

Compliance with any federal, state, or local statute, ordinance, rule or regulation including, but not limited to, fire and building codes, life safety codes, environmental regulations, health codes, zoning ordinances, compliance with trade/ design standards, or standards developed by the insurance industry. However, should there be any conspicuous material present violations observed or reported based upon actual knowledge of the field observer or the PCR reviewer, they should be identified in the PCR;

Compliance of any material, equipment, or system with any certification or actuation rate program, vendors or manufacturers warranty provisions, or provisions established by any standards that are related to insurance industry acceptance/approval, such as FM, State Board of Fire Underwriters, etc.

ADDITIONAL/GENERAL CONSIDERATIONS

There may be physical condition issues or certain physical improvements at the subject property that the parties may wish to assess in connection with a
commercial real estate transaction that are outside the scope of this guide. Such issues are referred to as non-scope considerations, and if included in the PCR, are identified in the "ADDITIONAL CONSIDERATIONS" Section of this report.
Whether or not the client has elected to contract with us regarding non-scope considerations in connection with the *ASTM Guide was* a decision which was made by the client. No assessment of such non-scope considerations is required for a PCA to be conducted in compliance with the ASTM Guide.

QUALIFICATIONS

PCA FIELD OBSERVER

Definition

The PCA Field Observer is the individual designated by Capital Inspections of Illinois who conducts the walk-through survey at the subject property.

PCR REVIEWER

Definition

The PCR Reviewer is the individual who is designated by Capital Inspections of Illinois to exercise reasonable control over the field observer and to review the report.

Identification

The PCR Reviewer for this assessment was also Mr. Robert Cavanaugh

CLOSING COMMENTS

We have attempted to be very thorough in our assessment of this property, and have strived to convey the findings to you in a way that is useful and easy to understand. We wish to thank you for your trust in regards to this very important part of your decision making process.

In addition to the summary and main body of this report, please be sure to review the supporting documentation, (if any), and photographs.
Please feel free to call us if you have questions.

Sincerely,

Robert Cavanaugh, Principal.